

Combination Systems Requirements

Rounding Logic

In 2000-2001, you can have up to 20 anticipated and 20 actual disbursements.

The following fields need to be calculated when **STAFFORD disbursements** are entered or changed:

Field Name	Description
Loan Amount Approved	From loan record
1 st Gross Disbursement Amount	Per Gross Disbursement Calculations
1 st Fee Amount	1 st Gross Amount X Loan Fee Rate (3%)
1 st Net Disbursement Amount	1 st Gross Amount - 1 st Fee Amount
2 nd Gross Disbursement Amount	Per Gross Disbursement Calculations
2 nd Fee Amount	2 nd Gross Amount X Loan Fee Rate (3%)
2 nd Net Disbursement Amount	2 nd Gross Amount - 2nd Fee Amount
Optional:	
3 rd through 20 th Gross Disbursements	Per Gross Disbursement Calculations
3 rd through 20 th Fee Amount	3 rd through 20 th Gross Amount X Loan Fee Rate (3%)
3 rd through 20 th Net Disbursements	3 rd through 20 th Gross Amount - 3 rd through 20 th Fee Amount
Total Gross Disbursements	Sum of all gross disbursements
Total Fee Amount	Sum of all fee amounts
Total Net Disbursements	Sum of all net disbursements

The following fields need to be calculated when **PLUS disbursements** are entered or changed:

Field Name	Description
Loan Amount Approved	From loan record
1 st Gross Disbursement Amount	Per Gross Disbursement Calculations
1 st Fee Amount	1 st Gross Amount X Loan Fee Rate (4%)
1 st Net Disbursement Amount	1 st Gross Amount - 1 st Fee Amount
2 nd Gross Disbursement Amount	Per Gross Disbursement Calculations
2 nd Fee Amount	2 nd Gross Amount X Loan Fee Rate (4%)
2 nd Net Disbursement Amount	2 nd Gross Amount - 2 nd Fee Amount
Optional:	
3 rd /4 th Gross Disbursements:	Per Gross Disbursement Calculations
3 rd /4 th Fee Amount	3 rd /4 th Gross Amount X Loan Fee Rate (4%)
3 rd /4 th Net Disbursements	3 rd /4 th Gross Amount - 3 rd /4 th Fee Amount
Total Gross Disbursements	Sum of all gross disbursements
Total Fee Amount	Sum of all fee amounts
Total Net Disbursements	Sum of all net disbursements

Gross Disbursement Calculations

With the implementation of the option to disburse up to 20 disbursements, disbursement percentages are no longer required to be sent to the LOC on the Loan Origination Record.

When determining disbursement amounts for a loan, dollar figures are rounded to the nearest dollar and all disbursements are equal except, for in some cases, the last disbursement.

When computing gross disbursement amounts, use the following specification:

Step 1: Divide the loan amount approved by the total number of disbursements to calculate an individual disbursement amount.

- If necessary, first truncate any positions that exist past two decimal places.

Step 2: Round the individual disbursement amount. Rounding occurs at the first and second decimal places to the nearest dollar.

- If the first and second decimal places are 50 or greater, increment the first digit to the left of the decimal sign by one.
- If the first and second decimal places are less than 50, do not change the first digit to the left of the decimal sign.

Note: The individual disbursement amount equals the amount of all disbursements except for the amount of the last disbursement.

Step 3: To determine the amount of the last disbursement, multiply the individual disbursement amount by the number of disbursements.

- If the sum of the disbursements is greater than the loan amount approved, ~~there is a negative variance~~ **subtract the difference from the last disbursement.**
- If the sum of the disbursements is less than the loan amount approved, ~~there is a positive variance~~ **add the difference to the last disbursement.**

The variance is applied to the **last** disbursement.

- ~~If there is a positive variance, subtract the variance from the individual disbursement amount to derive the last disbursement amount.~~
- ~~If there is a negative variance, add the variance to the individual disbursement amount to derive the last disbursement amount.~~

Example 1: A calculation for two disbursements

Loan Amount Approved: \$2625

Step 1: 2625 divided by 2 = 1312.5000

First truncate any positions that exist past two decimals as rounding occurs at the first and second decimal places.

Therefore 1312.5000 truncates to 1312.50

Step 2: Round at the first and second decimal places to determine the individual disbursement amount.

- If the first and second decimal places are .50 or greater, increment the first digit to the left of the decimal sign by one.
- If the first and second decimal places are less than .50 do not change the first digit to the left of the decimal sign.

1312.50 rounds to 1313. Therefore, all disbursement amounts are 1313 except the last disbursement.

Step 3: To determine the last disbursement amount, multiply the individual disbursement amount by the number of disbursements.

1313 multiplied by 2 = 2626

- ~~If the sum of the disbursements is greater than the loan amount approved, there is a negative variance. Add the variance to the individual disbursement amount to calculate the amount of the last disbursement.~~
- ~~If the sum of the disbursements is less than the loan amount approved, there is a positive variance. Subtract the variance from the individual disbursement amount to derive the amount of the last disbursement.~~

Since ~~Therefore, because~~ \$2626 is more than \$2625 ~~there is a positive variance of \$1 you subtract the difference of \$1.~~ The last disbursement is equal to \$1313 - \$1 or \$1312.

Final Results: 1st Gross Disbursement Amount = 1313

2nd Gross Disbursement Amount = 1312

Example 2: A calculation for three disbursements

Loan Amount Approved: \$1000

Step 1: 1000 divided by 3 = 333.3333

First truncate any positions that exist past two decimals as rounding occurs at the first and second decimal places.

Therefore 333.3333 truncates to 333.33

Step 2: Round at the first and second decimal places to determine the individual disbursement amount.

- If the first and second decimal places are .50 or greater, increment the first digit to the left of the decimal sign by one.
- If the first and second decimal places are less than .50 do not change the first digit to the left of the decimal sign.

333.33 rounds to 333. Therefore, all disbursement amounts are 333 except the last disbursement.

Step 3: To determine the last disbursement amount, multiply the individual disbursement amount by the number of disbursements.

333 multiplied by 3 = 999

- ~~If the sum of the disbursements is less than the loan amount approved, there is a negative variance. Add the variance to the individual disbursement amount to calculate the amount of the last disbursement.~~
- ~~If the sum of the disbursements is greater than the loan amount approved, there is a positive variance. Subtract the variance from the individual disbursement amount to derive the amount of the last disbursement.~~

Since ~~Therefore, because~~ \$999 is less than \$1000 ~~there is a negative variance of \$1 you~~ *add the difference of \$1.* The last disbursement is equal to \$333 + \$1 or \$334.

Final Results: 1st Gross Disbursement Amount = \$333
 2nd Gross Disbursement Amount = \$333
 3rd Gross Disbursement Amount = \$334
 Total Loan Amount = \$1000

Example 3: A calculation for six disbursements

Loan Amount Approved: \$22,167

Step 1: 22167 divided by 6 = 3694.5000

First truncate any positions that exist past two decimals as rounding occurs at the first and second decimal places.

Therefore 3694.5000 truncates to 3694.50

Step 2: Round at the first and second decimal places to determine the individual disbursement amount.

- If the first and second decimal places are .50 or greater, increment the first digit to the left of the decimal sign by one.
- If the first and second decimal places are less than .50 do not change the first digit to the left of the decimal sign.

3694.50 rounds to 3695. Therefore, all disbursement amounts are 3695 except the last disbursement.

Step 3: To determine the last disbursement amount, multiply the individual disbursement amount by the number of disbursements.

3695 multiplied by 6 = 22170

- ~~• If the sum of the disbursements is less than the loan amount approved, there is a negative variance. Add the variance to the individual disbursement amount to calculate the amount of the last disbursement.~~
- ~~• If the sum of the disbursements is greater than the loan amount approved, there is a positive variance. Subtract the variance from the individual disbursement amount to derive the amount of the last disbursement.~~

~~Since Therefore, because \$22170 is more than \$22167 there is a positive variance of \$3. you subtract the difference of \$3.~~ The last disbursement is equal to \$3695 - \$3 or \$3692.

Final Results:

1 st Gross Disbursement Amount	= \$3695
2 nd Gross Disbursement Amount	= \$3695
3 rd Gross Disbursement Amount	= \$3695
4 th Gross Disbursement Amount	= \$3695
5 th Gross Disbursement Amount	= \$3695
6 th Gross Disbursement Amount	= \$3692
Total Loan Amount	= \$22,167

Loan Fees and Net Disbursement Calculations

When calculating loan fee amounts and net disbursement amounts, use the following specifications for all numbers of disbursements:

- Loan Fees are truncated.
- Net disbursements are calculated by subtracting the loan fee from the gross disbursement.
- If the sum of the loan fee amounts is less than the calculated Total Loan Fee, do not adjust any loan fee amounts.
- If the sum of the net disbursement amounts is greater than the calculated Total Net Disbursement, do not adjust any net disbursement amounts.

Example : Loan Fee Calculation

Total Gross Disbursement Amount = \$3500

Loan Fee Rate = 3%

Three Gross Disbursement Amounts = \$1167, \$1167 and \$1166

Step 1: 1st Loan Fee Amount: $1167 \times .03 = \$35.01$, truncate to \$35

Step 2: 2nd Loan Fee Amount: $1167 \times .03 = \$35.01$, truncate to \$35

Step 3: 3rd Loan Fee Amount: $1166 \times .03 = \$34.98$, truncate to \$34

Step 4: Total Loan Fee Amount = $35 + 35 + 34 = 104$

Step 5: 1st Net Disbursement Amount = $1167 - 35 = 1132$

Step 6: 2nd Net Disbursement Amount = $1167 - 35 = 1132$

Step 7: 3rd Net Disbursement Amount = $1166 - 34 = 1132$

Step 8: Total Net Disbursement Amount = $1132 + 1132 + 1132 = 3396$

Final Results:

	Disbursement #1	Disbursement #2	Disbursement #3	Totals
Gross Disbursements	1167	1167	1166	3500
Loan Fees	35	35	34	104
Net Disbursements	1132	1132	1132	3396

Leap Year Logic

EDEExpress uses the following date format and leap year logic in the date fields on its databases:

- The date field format is **CCYYMMDD**.
- For (**CC**), the date field must contain only: 19 or 20
- For (**YY**), the date field must contain only: 00 - 99
- For month (**MM**), the date field must contain only: 01 - 12
- For day (**DD**), valid range depends upon month as follows:

<u>Month</u>	<u>Valid Day Range</u>
01	01 - 31
02	01 - 28 (unless year is divisible by 4 when 01 - 29 is valid)
03	01 - 31
04	01 - 30
05	01 - 31
06	01 - 30
07	01 - 31
08	01 - 31
09	01 - 30
10	01 - 31
11	01 - 30
12	01 - 31

Importing Data into the EDEpress Direct Loan Software

Interfacing your institution's system with EDEpress allows you to take advantage of the built-in edits and PC communication software. It reduces the data preparation effort by importing student data from your existing systems into EDEpress. After processing Direct Loan records with EDEpress, you can create a customized export file to share the data with your other institutional systems.

Certain borrower information is required before you can originate a loan. This information includes data about the borrower such as the name, address, date of birth, citizenship, and year in college. Also, it includes information specific to the loan such as the loan amount approved and loan period start and end dates. When creating the import file, please refer to the column marked 'required field' in the DIEA file.

As an EDEpress user, you have the following three options when entering data required to originate a Direct Loan:

1. Key enter data from the SAR and other hardcopy documents
2. Import data from EDEpress' ISIR and/or packaging system databases
3. Import data from an institutional system (External System)

The following specifications address the third option - importing data from an institutional system. For information regarding the first and second options, please refer to the online Help in the Direct Loan software.

Note: EDEpress automatically performs origination for all records containing all of the required origination fields. This step is performed during the import process for all records with a loan origination status of N.

Note: If your institution chooses to fill field #1 with a preassigned Loan ID, you may assign any loan sequence number (001-999).

If you have developed systems to capture information required to originate a loan, two general import capabilities are available:

Importing New Records

This import option allows you to add records to the EDEpress Direct Loan database. You must create a file of borrower records according to a standard file layout. See the Combination Layout Section for layout and file creation specifications. If the record passes reject editing and a Loan ID is not specified in the import file, the loan record is added to the EDEpress database and a 21-digit Loan ID is assigned. The Loan ID is important to systems interfacing with EDEpress because it is needed when making changes to existing records.

Importing New Records (Continued)

When a loan record is imported, EDEExpress searches for records with an identical student's SSN, Loan Type, Loan Year, and Direct Loan School Code. If there is no match, EDEExpress assigns 001 as the Loan Sequence Number.

If EDEExpress discovers a match on a student's SSN, Loan Type, Loan Year, and Direct Loan School Code, it proceeds using your selected add options. You request to be prompted for duplicates by selecting "Y."

- You can request EDEExpress to create a new loan record when a duplicate record is found by selecting "C" (**Create All**). When a duplicate is found, EDEExpress assigns the next highest Loan Sequence Number.
- You can request EDEExpress to skip the duplicate by selecting "N" (**Skip Duplicate Record**). The record is skipped and counted on the Import Add Report as a skipped record.

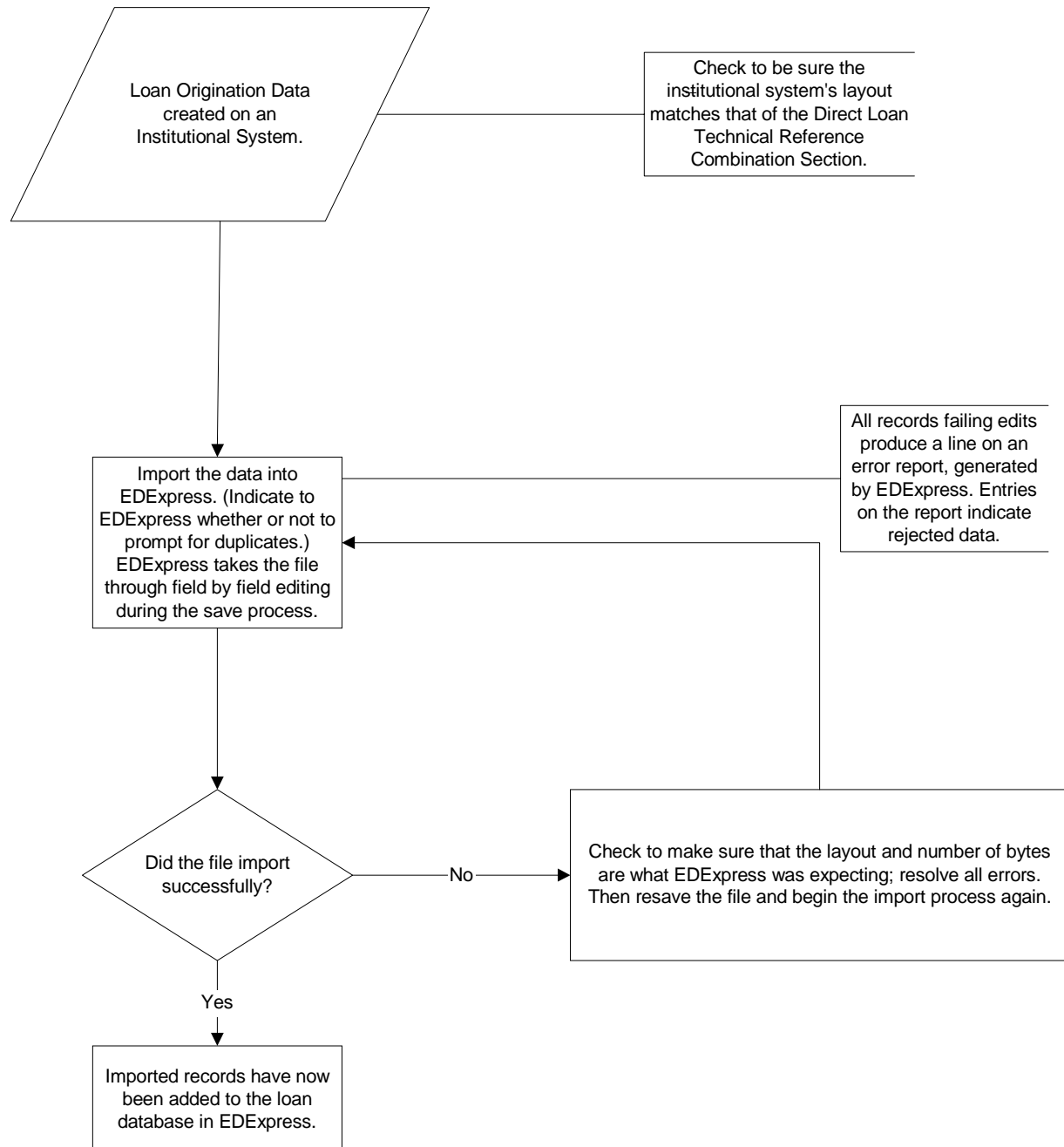
Imported records must adhere to the External Import Add Record layout. EDEExpress prompts you for a filename. Once a filename is provided, EDEExpress performs a series of edits and calculations on each record of the imported file.

An Add Edit Report is created for each file of imported records. This report identifies rejected records and provides statistics on the number of records added to the database. The format of the Loan Origination Add Edit Report is provided in the Appendix.

Note: EDEExpress maintains separate records for each borrower loan type. For example, if a student borrower is approved for a subsidized loan, unsubsidized loan, and PLUS loan, three records are imported to EDEExpress, one for each loan type. For each imported record, a record is established in the Loan Origination database.

For all loan types, the Loan Origination database maintains demographic information about the borrower. In addition, student demographic information is maintained for PLUS loans.

External Import Loan Origination Add



Exchanging Loan Origination Records with the LOC

You transmit a loan origination record to the LOC for each originated loan. If you request the LOC to print promissory notes, your request is part of the loan origination record. If you print your borrower's promissory notes, the loan origination record can be transmitted before or after the student signs the note. However, the LOC must receive the loan origination record before it can book the loan.

Two types of loan origination records can be exported to the LOC:

- Full Loan Origination Record
- Loan Origination Change Record

Full Loan Origination Record

For each new loan, subsidized, unsubsidized and PLUS, you must send a Full Loan Origination Record to the LOC. The Full record contains all of the demographic information about the borrower, as well as anticipated loan disbursement data, required to originate the loan. Data on each record must be edited to adhere to the field length, field type, and valid field content specifications. Full Loan Origination Records are transmitted in two types of files. All of the subsidized and unsubsidized records are transmitted in a file with a message class of DESF01IN. All PLUS records are transmitted in a file with a message class of DEPF01IN. There are two message classes because of the difference in turnaround time. Subsidized and unsubsidized loan origination acknowledgements are returned within three days of the LOC receiving the records. Because PLUS loans require a credit decision, PLUS acknowledgements are returned within five days of the LOC receiving the records.

Receiving Full Loan Origination Acknowledgements from the LOC

The LOC returns one acknowledgement record for each Full Loan Origination Record it receives. Batch integrity is maintained; the school receives acknowledgement records for all transmitted records in the batch.

These records are received in message class DISF01OP for subsidized and unsubsidized records and DIPF01OP for PLUS records. These records indicate whether the origination record is rejected or accepted. For PLUS records, the Full Loan Origination Acknowledgement also indicates whether the credit check is accepted, denied or pending. If a credit decision is overridden (modified) for a PLUS record, a separate PLUS Credit Decision Acknowledgement is received from the LOC (message class DIPC01OP). The PLUS Credit Decision Acknowledgement is transmitted to you at any time after the initial decision has been received on the Full Loan Origination Acknowledgement.

Once the Full Loan Origination record is accepted by the LOC, it should not be sent to the LOC again. If changes need to be sent to update information on the record, a change record described below must be sent to the LOC. When a Full Loan Origination record is rejected by the LOC, it is not kept on file in the LOC System. The record errors need to be corrected and the Full Loan Origination record transmitted to the LOC with the message class DESF01IN.

PLUS Credit Decision Acknowledgement

For any previously accepted PLUS Full Origination records, the LOC may return a Credit Decision Acknowledgement with one of the following status: C = (Credit overridden, new credit information provided), D = (Credit denied, endorser not okay), N = (Credit denied; after pending), E = (Credit overridden, endorser OK). The Credit Decision indicates the results of PLUS Loan credit checks on the parent borrower or endorser. For approved applicants, you can proceed to the disbursement of funds. The LOC sends further information and instructions directly to those applicants not approved for a PLUS loan on the basis of credit checks. The LOC has the option to override the credit decision after an initial denial. The PLUS Credit Checks can be updated at any time on the basis of the borrower submitting supporting documentation to the LOC or credit reporting agency. If you process PLUS loans, you may receive updated credit decisions in this acknowledgement file with message class DIPC01OP at any time from the LOC.

Loan Origination Change Record

Once the Full Loan Origination Record is accepted by the LOC, changes to the borrower's demographic or loan information requires a change record be sent to the LOC. Loan Origination Change Records are transmitted in a separate message class DESC01IN.

Each change record contains the borrower's loan identification (necessary to identify the record on the LOC's databases), the number associated with the field being corrected, and the corrected value.

Importing Changes to Existing Records

This import option allows you to submit changes from your institutional systems to the EDExpress Direct Loan database. To perform this option, you must create a file of borrower records according to a standard file layout. Each record must contain the borrower's loan identification number, field number associated with the field to be updated, and the updated value.

Use the External Import Change record layout and the table of Loan Origination Import Change Field Numbers to create your change record. These can be found in the Combination Layouts section of this technical reference.

To import most efficiently, you should import the records in Social Security Number order, and the fields to be updated within each change record should appear in numerical order. For example, if you are changing fields S013 (Borrower's Telephone Number) and S101 (Borrower's Local Address City), field S013 should appear first in the change record followed by field S101.

The change field number consists of three positions for the field number and a prefix to indicate whether the field is on the Loan Origination Database (prefix is S), the PLUS Loan Database (prefix is P), or the Disbursement Database (prefix is D). For example, "P004" indicates a change to the student's last name on the PLUS Loan Database; "S007" indicates a change to the borrower's last name on the Loan Origination Database.

Each change record contains space for up to 10 data element changes. Multiple change records can be exported for a Loan ID if more than 10 changes are required.

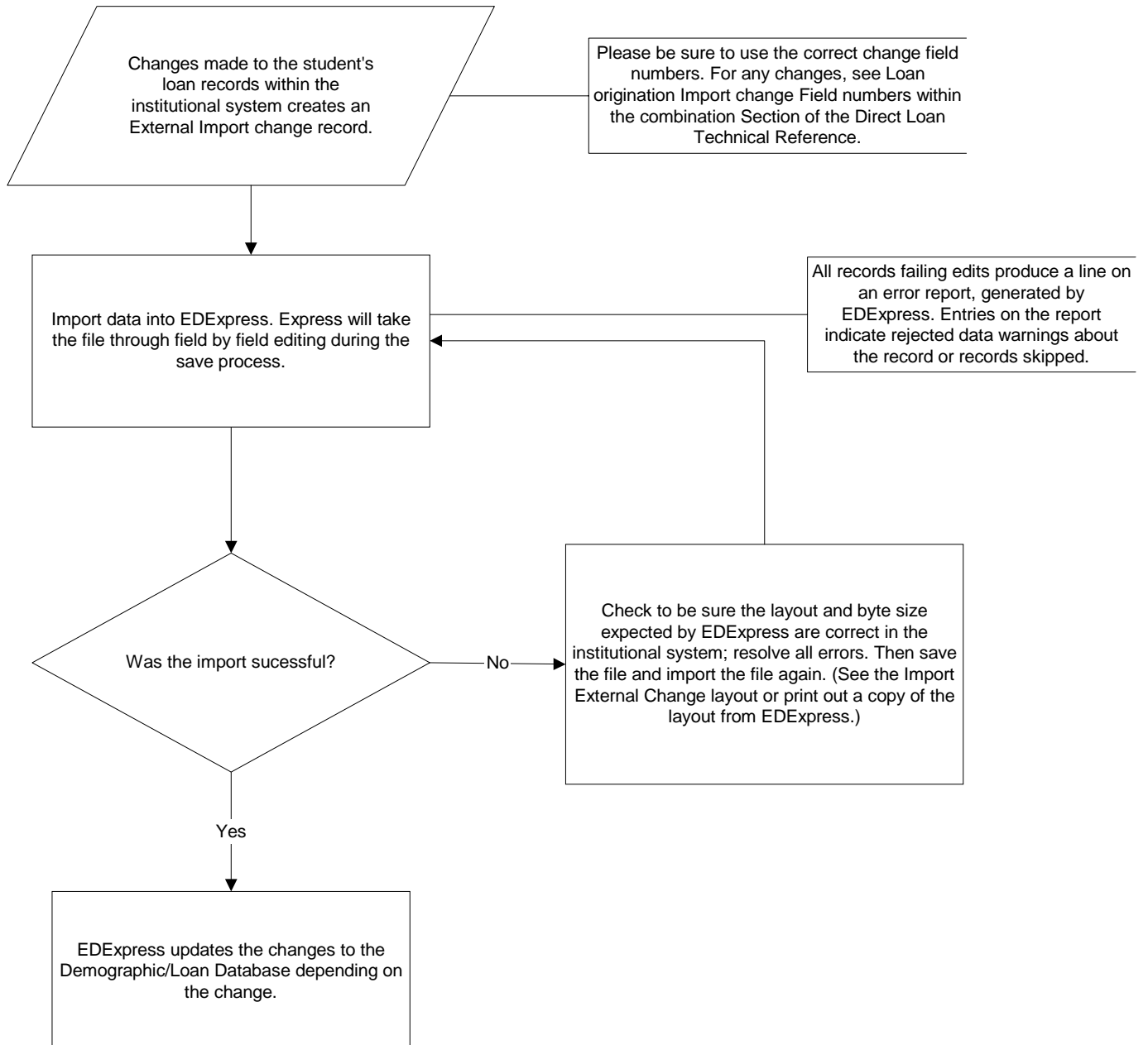
Corrected values must be left justified within the 28-byte change value field. Numeric fields are left justified and blank filled up to the maximum number of positions for that

Example:

Diagram illustrating the correction of a corrupted record. The original record is "012345678U01G99999001S007SMITHS04000900". The "Loan ID" is "012345678U01G99999001". The "Field Number" is "S007". The "Corrected Data" is "SMITH". The "Field Number" is "S040". The "Corrected Data" is "000900".

If the change is accepted, then there are no reject codes associated with that field. If a change is rejected, then it must be corrected and only the fields that were in error need to be resent to the LOC as change records.

External Import Change Record



Processing Promissory Notes

All promissory notes must be mailed to the LOC before the loan is "booked." The hardcopy promissory notes must be accompanied by a paper manifest that identifies the borrower's name and Loan ID for each promissory note in the shipment. Also, the paper manifest provides a certification to be signed by an official at the institution.

Master Promissory Notes for subsidized and unsubsidized loans and PLUS Promissory Notes must be batched separately and a separate manifest created for each. Each batch may contain up to 100 notes. Additionally, separate manifest batches must be created for each school code. The Promissory Note Manifest option is available through the EDExpress Print process. The format for the Master Promissory Note manifest and the PLUS manifest are provided in the Appendix.

Receiving Promissory Note Acknowledgements

The LOC returns an electronic file (DIPA01OP) containing the acknowledgement of any promissory notes processed by the LOC. This acknowledgement contains a batch ID generated by the LOC. Batch integrity does not exist between the paper Promissory Note Manifest and the Promissory Note Acknowledgement. If the LOC accepts a promissory note and an accepted loan origination record is not on file at the LOC, the promissory note is accepted, pending a loan origination record.

Promissory Note Reject

The DIPA01OP file contains a code in field #4 (Promissory Note Status) that returns one of three values: A (Accepted), R (Rejected), or X (Pending). If Field #4 contains "R," then Field #5 contains the reject reason code (see Custom Edit Section for Promissory Note Reject Reasons).

Master Promissory Note Multi-Year Functionality

The Master Promissory Note (MPN) is the only approved promissory note for Direct Subsidized and Unsubsidized Loans for all schools. No change is being made to the MPN data elements. At this time, the MPN concept will not be adopted for use in the PLUS program.

The MPN ID prints on the MPN. This identification number is used by the LOC to link loans to the MPN. For newly printed MPNs for 2000-2001, the format of the MPN ID has changed to use "M" as the MPN indicator instead of "S" or "U" in the loan type code field.

As in the past, the school prints the MPN based on the completed loan origination record. However, no dollar amount is printed on the MPN by the school or the LOC and only one note is used for both subsidized and unsubsidized loans.

The MPN must be printed by the school or the LOC and signed by the student borrower before disbursement of a Federal Direct Subsidized Loan or Federal Direct Unsubsidized Loan. The MPN is a legal document requiring the borrower to repay the funds borrowed under the Direct Loan Program.

For 2000-2001, Multi-Year Note (MYN) functionality will be implemented for the MPN for 4-year undergraduate schools and graduate schools per Direct Loan Regulations. Any schools requesting an exception to this regulation may contact the Direct Loan Operations Staff.

With this change, if a borrower is attending a school eligible for multi-year functionality, the borrower is required to have only one open MPN on file at the LOC for all subsidized and unsubsidized loans disbursed for academic year 2000-2001 and forward. For example, the open MPN at the LOC can be an MPN processed for year 1999-2000. This open MPN can be linked to a 1999-2000 and forward Stafford Loan. Because multiple loans are linked to an MPN, the promissory note print sequence number is no longer necessary.

An open MPN on file at the LOC is assigned to the borrower and is not limited for use at a specific school. Therefore, any MPN accepted by the LOC can be used by a school eligible for MYN functionality. Thus, all loans for a student are linked to the same MPN across schools and academic years.

If a school is NOT eligible for MYN functionality (single-year schools), a new MPN must be generated each academic year for each borrower. A single-year school must use an MPN generated at or for that institution only. A single-year school can link all subsidized and unsubsidized loans for the same academic year, for the same student to the same MPN.

An open MPN is valid for up to 10 years from the date of the first anticipated disbursement if an actual disbursement has been made. By calling an LOC Customer Service Representative, a student may close an MPN. Once an MPN has been closed, no new loans can be disbursed without a new MPN being generated. However, all disbursements and booking activity for the loans already attached to the closed MPN will be processed.

Reporting Disbursements

Note: The Actual Disbursement Record cannot be accepted by the LOC until they have accepted the Loan Origination Record.

Before the LOC can "book" a loan, the LOC needs three essential components:

1. An accepted Loan Origination Record
 - a) Approved Credit Decision (PLUS ONLY)
2. An accepted Promissory Note
3. An accepted Actual Disbursement Record

Once the school has verified a completed and signed promissory note is on file as well as other eligibility verification required by regulations (e.g., student enrolled at least half-time), it can make a loan disbursement to the student or parent (either by check or by crediting the student's account).

Disbursement Record Types

There are six kinds of Disbursement Records:

1. Actual Disbursement = record type D (Batch Type #H)
2. Adjusted Actual Disbursement = record type A (Batch Type #H)
3. Adjusted Disbursement Date = record type Q (Batch Type #H)
4. Booked Disbursement = record type L (Batch Type #B)
5. Booked Adjusted Disbursement = record type M (Batch Type #B)
6. Servicing Refund = record type P (Batch Type SP)

An Actual Disbursement Record contains data for the initial disbursement for a given disbursement number.

An Adjusted Actual Disbursement Record is sent to the LOC when the amount of a disbursement needs to be increased or decreased. For more information, see the *DL School Guide* and the appropriate DL Bulletins.

An Adjusted Disbursement Date record is sent to the LOC when an actual disbursement date is posted incorrectly. This record type is transmitted after an actual disbursement is sent to and accepted by the LOC.

New for 2000-2001

A Booked Disbursement record (record type L) or Booked Adjusted Disbursement record (record type M) is sent from the LOC providing the booked date for an actual disbursement or an actual adjusted disbursement. The record updates the EDEExpress database with the disbursement or adjustment booked date.

New for 2000-2001

A Servicing Refund record (record type P) is sent from the LOC when a borrower refunds monies on current loan to Servicing. This transaction does not update the disbursement amounts recorded on the EDEExpress database. This record is to inform you that the student has additional loan eligibility for the current year. EDEExpress allows the Loan Amount Approved for this loan to include this additional refunded amount in the annual loan limit for this loan if the borrower decides to borrow the additional funds. Note: This transaction should not be returned to the LOC.

Disbursement Record Type “Q”

Disbursement type “Q” (Adjusted Disbursement Date) has been added for making adjustments to the actual disbursement date. In order to change the disbursement date, the school should use disbursement record type “Q” to show the correct actual disbursement date. The “Q” transaction can only be used after the school has sent an actual disbursement and received the disbursement acknowledgement. The following rules apply to transaction type “Q”:

Disbursement type “Q” (Adjusted Disbursement Date) allows adjustments to the actual disbursement date. In order to change the disbursement date, you should use disbursement record type “Q” to show the correct actual disbursement date. The “Q” transaction can only be used after an actual disbursement is sent and you have received the disbursement acknowledgement. The following rules apply to transaction type “Q”:

1. An actual disbursement must exist (see example #1).

2. Disbursement type “Q” is only for date changes not changes to the actual disbursement amount. This is a separate disbursement transaction and must be transmitted to the LOC (see example #2).
3. Disbursement type “Q” adjusted disbursement date can be a date after a prior transaction date for that disbursement number (see example #3).
4. Disbursement type “Q” adjusted disbursement date cannot be a date later than subsequent disbursement numbers (see example #4).
5. Disbursement type “Q” can be entered with a date before any adjustments to that same disbursement (see example #5).
6. Multiple transactions may cause a delay in processing.
7. Disbursement type “Q” follows the same delete rules as any other disbursement transaction (cannot be deleted unless in a “R=Ready Status” or “E=Rejected Status”).

The following are examples that apply to the rules outlined above:

Example #1

Disb. #	Disb Type	Disb. Seq #	Disb Date	Disb. Amt	Disb. Status	Allowed?	Comments
1	Q	01	05/01/2000	\$1000	READY	NO	See rule #1

Example #2

Disb. #	Disb. Type	Disb. Seq #	Disb. Date	Disb. Amt	Disb. Status	Allowed?	Comments
1	G	01	05/01/2000	\$1000	ACCEPTED	YES	Initial Disbursement Entered
1	Q	02	05/02/2000		ACCEPTED	YES	See Rule #2
2	G	01	06/01/2000	\$1000	ACCEPTED	YES	Second Disbursement Entered

Example #3

Disb. #	Disb. Type	Disb. Seq #	Disb. Date	Disb. Amt	Disb. Status	Allowed?	Comments
1	G	01	05/01/2000	\$1000	ACCEPTED	YES	Initial Disbursement Entered
1	Q	02	04/01/2000		READY	YES	See Rule #3
2	G	01	06/01/2000	\$1000	ACCEPTED	YES	Second Disbursement Entered
2	Q	01	04/02/2000		READY	YES	See Rule #3

Example #4

Disb. #	Disb. Type	Disb. Seq #	Disb. Date	Disb. Amt	Disb. Status	Allowed?	Comments
1	G	01	05/01/2000	\$1000	ACCEPTED	YES	Initial Disbursement Entered
2	G	01	06/01/2000	\$1000	READY	YES	Second Disbursement Entered
1	Q	02	06/02/2000		READY	NO	See Rule #4

Example #5

Disb. #	Disb. Type	Disb. Seq #	Disb. Date	Disb. Amt	Disb. Status	Allowed?	Comments
1	G	01	05/01/2000	\$1000	ACCEPTED	YES	Initial Disbursement Entered
1	A	02	05/15/2000	\$500	READY	YES	Adjusted amount downward 15 days later
1	Q	03	05/15/2000		READY	YES	See Rule #5. This would change the date of the initial disbursement to 5/15 which is the same date as the adjustment and is allowed
2	G	01	06/01/2000	\$1000	READY	YES	Second Disbursement Entered

Importing Disbursement Data into EDExpress

You can create a change record to import actual disbursement data from an external institutional system into EDExpress. To do this, use the External Change Record format (DIEC01OP) in the Combination Layouts section. The change record should include the following data elements:

Field	Change Field Number
Loan ID	N/A
Sequence Number	N/A
Disbursement Number	D003
Transaction Date	D004
Action Type (Disbursement)	D006
Action Amount (Disbursement)	D007

Sequence of Disbursement Records

Disbursement records should occur in the file grouped by Loan ID. The records must be sorted within Loan ID by Disbursement Number and Sequence Number. For example, a loan has one actual disbursement and two adjustments. Record type D should precede record type A, and the two adjustments should be in ascending date order.

To make the import work most efficiently, you should create the file so that the records are imported in transaction date order. If you have more than one record for a single transaction date, they should be sorted in Social Security Number order.

Remember, disbursement activity must be submitted to the LOC **within 30 days** of the transaction date.

Timing

For Option 1 and 2 schools, disbursement records are sent after you have received a signed valid promissory note from the borrower. For Standard schools, disbursement records are sent to the LOC after you have received an accepted Promissory Note Acknowledgement for the borrower. Take care to ensure that the disbursement record cycle is complete at a record level before transmitting change records for adjustments to \$0.

Export Record of Disbursement Information

You use the Direct Loan software to create a record of disbursement information for transmission to the LOC. The LOC edits the information against the loan origination record data stored in its system. The LOC returns an acknowledgement to the school indicating whether or not each disbursement record has been accepted (DIOD01OP).

Submit Correction Disbursement

You may receive a record from the LOC indicating the disbursement information record is rejected. In this case, you need to determine why the record was rejected, then correct the record and retransmit it to the LOC.

Process Disbursement Adjustments

Adjustments occur when the amount on a disbursement is increased or decreased. This new adjusted disbursement amount needs to be sent to the LOC.

Inactive Loan Process (Adjustments to Zero)

A process of adjusting individual disbursements and/or Loan Amount Approved to zero replaced the cancellation process. Now you have more flexibility by simply recording and sending the LOC an upward adjustment if the loan or disbursement is to be reactivated after being adjusted to zero.

The following scenarios demonstrate this process:

Scenario A

School needs to cancel an entire loan and NO Actual Disbursements have been made:

1. Reduce the Loan Amount Approved to \$0 and save the record.
2. Save process within EDEExpress automatically reduces each Anticipated Disbursement to \$0. You can mark the loan as Inactive if you want. This marker is used to filter out these records in reports.
3. Forward a Loan Origination Change Record to the LOC, which contains the change to the Loan Amount Approved and all Anticipated Disbursements.
4. Increase the Loan Amount Approved to the appropriate amount, which automatically resets the Inactive Flag, if you need to reactivate this loan.

EDEExpress automatically recalculates the Anticipated Disbursements.

5. Forward a Loan Origination Change Record to the LOC, which contains the change to the Loan Amount Approved and all Anticipated Disbursements.

Scenario B

School wants to cancel an entire loan but Actual Disbursements have been made:

1. Adjust all Actual Disbursements to \$0 and send in a Disbursement Record to the LOC, which contains adjusted disbursement record.
2. At the same time, reduce the Loan Amount Approved to \$0 and save the record.
3. The Save process in EDEExpress automatically reduces each Anticipated Disbursement. You have the option to mark the Loan as Inactive. This marker is used to filter out these records in reports.
4. Forward a Loan Origination Change Record to the LOC, which contains the change to the Loan Amount Approved and all Anticipated Disbursements.

Note: This change record (Step 4) can be forwarded to the LOC at the same time the Disbursement Record in Step 1 is forward to the LOC.

5. (As in Step 4 for Scenario A above) Increase the Loan Amount Approved to the appropriate amount if you need to reactivate this loan.

EDEExpress automatically recalculates the Anticipated Disbursements. A Loan Origination Change record is sent to the LOC to report the new amounts.

6. Adjust the appropriate Disbursement number back up to the disbursement amount if an Actual Disbursement is to be recorded. A Disbursement Record is sent to the LOC to report the new Actual Disbursement amounts.

Scenario C

School wants to only cancel individual Actual Disbursement(s):

1. Adjust the individual Actual Disbursement(s) to \$0.
2. Send a Disbursement Record to the LOC, which contains this adjusted disbursement.
3. Reactivate this disbursement by entering an upward adjustment to that same disbursement, then send a Disbursement Record to the LOC with the new amount(s).

Note: If you only adjust the disbursement down to zero without adjusting the Loan Amount Approved appropriately, the student's loan data at NSLDS may not be reported correctly.

Note: If the sum of Actual Disbursements is changed to \$0, a message displays suggesting that you may also want to change the Loan Amount Approved to \$0.

Disbursement Confirmation (For Schools in the Confirmation Pilot)

Schools participating in the Confirmation Pilot receive authorization from the borrower for the disbursement of funds under a Direct Subsidized Loan or a Direct Unsubsidized Loan. To accommodate this procedure, an Affirmation Flag indicates that the borrower at the school has been confirmed.

Receiving Disbursement Acknowledgement Records from the LOC

The LOC returns an acknowledgement record for each Disbursement Record you submit. In addition, some disbursement transactions are generated by the LOC and sent to you on the Disbursement Acknowledgement. The acknowledgement record is in the same format as the Disbursement Record. They are returned in a message class DIOD01OP.

When processing disbursements or adjusted disbursements, if the LOC calculates different amounts than reported by the school, these amounts are returned in the acknowledgement. If there is no change to the amounts, these fields are returned blank.

School Reconciliation

You must reconcile your school's Direct Loan records on file at the LOC with the school's internal Direct Loan records. This process is School Reconciliation and you should perform this process on a monthly basis.

School Account Statement

The LOC initiates the reconciliation process. You receive on a monthly basis a Direct Loan School Account Statement (DLSAS) from the LOC designated by school code. The DLSAS is imported and formatted to look similar to a monthly bank statement. This statement reports the cash records and the booked and unbooked disbursement transactions on file at the LOC. The DLSAS has three parts: Cash Summary, Cash Detail, and Loan Detail. You are responsible for reviewing and comparing the monthly statement to ensure the accuracy of the data on both your school's system and the LOC database. This data must also be reconciled to your school's internal student account records and bank records.

School Options

You may elect to receive only the Cash Summary and Cash Detail sections on the monthly School Account Statement - omitting the Loan Detail records. This may be a desirable option if you have a large volume of loan detail records. If you wish to omit the Loan Detail records from your DLSAS, contact the LOC.

Additionally, you may elect to send the LOC an electronic file, the Optional Loan Detail Exception File, with Year-to-Date (YTD) unbooked transactions or booked transactions for a particular month. The LOC compares your school's data sent in this file with that of the LOC. A preformatted exception report is returned if there are discrepancies or exceptions to be resolved. This process may assist you in resolving discrepancies found

while reviewing the monthly DLSAS. You initiate this process by sending the Optional Loan Detail Export file to the LOC (DERC01IN).

Resolving Discrepancies

These two processes, the DLSAS and the Optional Loan Detail Exception Report, assist you in reconciling your school data with the data at the LOC. When discrepancies are found, you should go back and ensure that all origination, promissory note, and disbursement processing is completed. Remember:

- The LOC's cash balances only report on "Booked" data for the month reported in the DLSAS. Booked status on your school system can only be updated by the booked disbursement (L) or booked adjustment (M) transaction.
- Export all pending data batches for origination records, promissory notes, and disbursements.
- Import all pending acknowledgement batches to update the accepted status and booked status flags on your school's system.
- EDEExpress and Combination schools find it helpful to use the Booked Status Measurement Report to resolve discrepancies on the DLSAS.

Technical Tips

On the following pages, some technical tips are provided in the sections listed below:

- Batch IDs
- Ad hoc reports

Batch IDs

All Batch IDs through the Direct Loan System have the same format. Each batch ID is 23 characters long. The first two characters are the batch identifiers, which represent the type of batch. The next character represents the cycle year. The next six characters are the school code. The next eight characters are the date the batch was created. The next six characters are the time the batch was created. All of the batch identifiers are listed below.

Batch Identifier	Type of Batch
#F	Export: Origination External
PF	Export: Origination LOC Full PLUS
#A	Export: Manifest Stafford/PLUS
#L	Export: Optional Loan Detail Exception
#E	Export: Origination LOC Change
#H	Export: Origination LOC Disbursement
#D	Export: Origination LOC Full Stafford
#R	Import: Anticipated Listing
#Q	Import: Actual Roster
#O	Import: External Add
#P	Import: External Change
#E	Import: Acknowledgements – Change Origination
#H	Import: Acknowledgements – Disbursement Origination
#B	Import: Booking Notification
SP	Import: Servicer Refund Amount
#A	Import: Acknowledgements - Prom Note
#C	Import: PLUS Credit Decision
PF	Import: Full Summary PLUS Origination
#D	Import: Acknowledgements - Full Summary Stafford
#W	Import: 30-Day Warning Report
AS	Import: Direct Loan School Account Statement
SV	Import: Loan Servicer

Ad Hoc Reports

Receiving the 30-Day Warning Report File

The 30-Day Warning Report is a preformatted print file reporting unbooked loans (DIWR01OP) for which the LOC has not received the three required components to book a loan within 30 days of the first activity. The report lists the Loan ID and the data that is required to book the loan. Loans where the Loan Amount Approved is adjusted to zero do not appear on the 30-Day Warning Report. This file is generated weekly by the LOC. At a minimum this report contains:

- Loan ID
- Borrower's Name
- Data Received by LOC
- Date Data Received by LOC
- Missing Data Needed to Book Loan: Prom Note; Loan Origination Record; or Actual Disbursement Information
- Total Number of Records on Report

Note: Loans that have been adjusted to \$0 do not appear on the 30-day Warning Report. The LOC provides a separate report listing all loans that are adjusted to \$0 and are Inactive. Once the loans become active again and are missing any of the items necessary to book, the loan again appears on the 30-Day Warning Report File.

Receiving the Duplicate Student Borrower Report

The Duplicate Student Borrower Report is a file reporting student borrowers at multiple schools with loans for the same or overlapping academic years.

Receiving the Inactive Loan Report

The Inactive Loan Report is a file reporting loans that are adjusted to zero.

Receiving the SSN, Name, and Birth Date Change Report

The SSN, Name, and Date of Birth Change Report is a file reporting SSN, name, and date of birth changes that the LOC is suggesting you review and possibly update EDEExpress by creating a change record to be sent to the LOC.

Receiving the Pending SSN Change Report

The Pending SSN Change Report is a file reporting SSN changes that are pending for more than 45 days.

Disbursement Activity Not Yet Booked at Servicing

The Disbursement Activity Not Yet Booked at Servicing is an ASCII file that allows the school to print a report displaying disbursements that are booked by the LOC but not yet booked at Servicing. For this reason, a borrower has not yet received information from Servicing regarding the loan.

Note: This file does not update your EDEExpress database.

Receiving the Anticipated Disbursement Listing

The Anticipated Disbursement List file (DIAA01OP) is transmitted to Option 1 or Standard Origination schools only. This file lists all pending anticipated disbursements scheduled 30 to 45 days in the future. The LOC generates this file based on accepted origination records and accepted promissory notes for your school. Schools should submit origination records, changes, and promissory notes to the LOC for anticipated disbursements that the school intends to make. The preformatted print file, received in message class DIAA01OP contains at a minimum the following data elements:

- Direct Loan School Code for Borrowers on Report
- Loan ID
- Borrower's Name
- Loan Type
- Disbursement Number (1 through 20)
- Anticipated Gross Disbursement Amount
- Anticipated Net Disbursement Amount
- Anticipated Loan Fee Amount
- Number of Borrowers on the Listing
- Total Net Disbursements
- Anticipated Disbursement Date

Receiving the Actual Disbursement Roster

Actual Disbursement Roster

The Actual Disbursement Roster file (DIAO01OP) is transmitted to Option 1 or Standard Origination schools only. The Actual Disbursement Roster is transmitted to schools five business days prior to the anticipated disbursement date. This file lists all the Loan IDs and anticipated disbursements on which the LOC requested funds. Funds transferred to the school from GAPS must be disbursed to the borrowers based on the Actual Disbursement Roster. The LOC includes borrowers on this report based on anticipated disbursements on accepted loan origination records submitted to the LOC at least 10 business days prior to the anticipated

disbursement date. This report also lists disbursements on which the LOC was unable to drawdown funds from GAPS and provides a reason code. This preformatted print file, received in message class DIAO01OP, contains at a minimum the following data elements:

- Direct Loan School Code for Borrowers on Report
- Loan ID
- Borrower's Name
- Loan Type
- Disbursement Number (1 through 20)
- Anticipated Gross Disbursement Amount
- Anticipated Net Disbursement Amount
- Anticipated Loan Fee Amount
- Number of Borrowers on the Roster
- Total Net Disbursements on the Roster
- Anticipated Disbursement Date